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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA
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13 In the Matter of:) ESCROW LICENSE NO. 963-2552
14 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
15)
16 Complainant,) ACCUSATION IN SUPPORT OF ORDER
v.) REVOKING NORTHERN CALIFORNIA
17) ESCROW SERVICES, INC.'S ESCROW
NORTHERN CALIFORNIA ESCROW) AGENT LICENSE
18 SERVICES, INC.)
19)
20 Respondent.)

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23 The Commissioner of Business Oversight (“Commissioner”) is informed and believes and
24 based upon such information and belief, alleges and charges as follows:

25 **I**

26 **Introduction**

27 1. Northern California Escrow Services, Inc. (“NCES”) is an escrow agent licensed by
28 the Commissioner pursuant to the Escrow Law of the State of California (Financial Code Section

1 17000 et seq.), with its principal place of business at 5540 Almaden Expressway, #A, San Jose, CA
2 95118.

3 **II**

4 **Failure to File Annual Report**

5 2. Pursuant to Financial Code section 17406, all licensees under the Escrow Law are
6 required to file an annual audit report containing audited financial statements (“Annual Report”)
7 within one hundred and five (105) days after the close of their fiscal year. NCES’s fiscal year end for
8 2013 was June 30, 2013. Accordingly, NCES was required to file its 2013 Annual Report on or
9 before October 15, 2013.

10 3. On October 21, 2013, the Commissioner demanded in a letter served by certified mail
11 on NCES that their 2013 Annual Report was due within 10 days of October 21, 2013, or the
12 Commissioner would assess penalties for each day the report is late, in addition to possibly
13 conducting a special examination and/or taking administrative action. To date, NCES has not filed its
14 2013 Annual Report and the 2013 Annual Report is now 498 days late as of the date of this
15 Accusation.

16 **III**

17 **Failure to Pay Penalties**

18 4. Pursuant to Financial Code section 17408, the Commissioner may issue an order
19 imposing penalties based on the failure to file reports demanded by the Commissioner. Pursuant to
20 Financial Code section 17408, subdivision (e), if a hearing is requested upon the order imposing
21 penalties and a final decision is made, the penalties are due within 5 business days after the effective
22 date of any decision ordering the penalty payments.

23 5. On or about August 25, 2014, an administrative hearing was held at the Office of
24 Administrative Hearings on the Commissioner’s Accusation and Order Imposing Penalties issued
25 against NCES on February 4, 2014.

26 6. On or about August 28, 2014, a proposed decision in the matter was issued by the
27 Administrative Law Judge (“Proposed Decision”).
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16. Financial Code section 17602.5 provides in pertinent part:

If any licensed escrow agent fails to make any reports required by law or by the commissioner within ten (10) days from the date designated for the making of the reports, or within any extension of time granted by the commissioner, . . . such failure shall constitute grounds for the suspension or revocation of the license held by such escrow agent.

17. Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

VI

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18. The Commissioner finds that by reason of the foregoing, Northern California Escrow Services, Inc. has violated Financial Code sections 17210, 17406, and 17408.

19. The Commissioner further finds that based upon Northern California Escrow Services, Inc.'s continued failure to comply with the Escrow Law it is in the best interests of the public to revoke Northern California Escrow Services, Inc.'s escrow agent's license pursuant to Financial Code sections 17602.5 and 17608.

WHEREFORE, IT IS PRAYED THAT Northern California Escrow Services, Inc.'s escrow agent license be revoked.

Dated: March 13, 2015
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
JOHNNY VUONG
Senior Counsel
Enforcement Division